

**IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE**

IN RE:

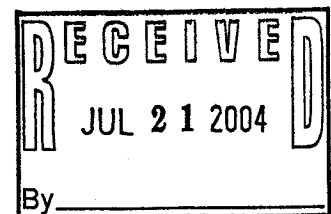
SENTINEL TRUST COMPANY

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) Case No. 4781 (R.E.L.D.)
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**EMERGENCY MOTION OF THIRD PARTY CHAMBER HEALTH CARE
SOCIETY, INCORPORATED FOR AN ORDER REQUIRING RECEIVER TO
WAIVE WAITING PERIOD TO PERMIT REDEMPTION OF BONDS**

COMES NOW Chamber Health Care Society, Incorporated ("Chamber"), third party to the above-captioned matter, and hereby makes and files this Motion of Chamber Health Care Society, Incorporated for an Order Requiring Receiver to Waive Waiting Period to Permit Redemption of Bonds (the "Motion"). Chamber asks the Court to exercise its equitable powers and broad discretionary authority over receiverships to waive the strict application a of superfluous contractual term in a Trust Indenture in which Sentinel Trust Company ("Sentinel") is the trustee.

Chamber seeks waiver of a 90-day holding period of funds by Sentinel set forth in a bond indenture agreement. This waiver would permit immediate payment of all principal and interest due the bondholders that the Receiver now represents. The waiver of this waiting period will have no legal or practical consequence other than to permit Chamber to close the sale of a facility in Newton County, Georgia by August 1, 2004, the scheduled closing date. Specifically, waiver of this waiting period would not result in any prejudice to either of the Receiver or the bondholders. Indeed, the waiting provision is superfluous in that the concern against which it is designed to protect – preference liability under section 547 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq. – is not a possibility under the present circumstances because any payment to the



bondholders would be payment of a fully secured claim, and, therefore, beyond the avoidance powers of a hypothetical bankruptcy trustee.


On the other hand, failure to waive this waiting period could result in the loss of a business transaction that would be very beneficial to the bondholders and to Chamber. Indeed, the proposed transaction would result in the full redemption of the bonds, including rectifying -- at least to the bondholders -- certain shortfalls caused by Sentinel's mismanagement of trust accounts.

In support of its Motion, Chamber submits the accompanying (1) Memorandum in Support; (2) Affidavit of R. Chix Miller, Esq., bond counsel in the underlying transaction; (3) Affidavit of William R. Hill, President of Chamber Health Care Society; and (4) Affidavit of Philip Rees, Vice President and General Counsel of West Street Associates, LLC.

WHEREFORE, Chamber respectfully requests that this Court enter an order substantially in the form as the proposed order attached hereto as Exhibit A, requiring the Receiver to waive the waiting provision and authorizing the proposed transaction.

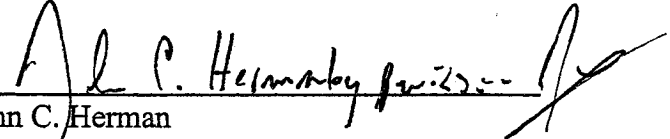
Respectfully submitted,

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CHAMBER HEALTH CARE SOCIETY,
INCORPORATED

**THIS MOTION IS EXPECTED TO BE HEARD ON THE 9TH DAY OF AUGUST, 2004,
AT 9:00 A.M. FAILURE TO FILE AND SERVE A WRITTEN RESPONSE IN A
TIMELY MANNER MAY RESULT IN AN ORDER GRANTING THIS MOTION
WITHOUT FURTHER HEARING OR NOTICE.**

CERTIFICATE OF SERVICE

This is to certify that I have this day served all parties in the foregoing matter with the foregoing EMERGENCY MOTION OF THIRD PARTY CHAMBER HEALTH CARE SOCIETY, INCORPORATED FOR AN ORDER REQUIRING RECEIVER TO WAIVE WAITING PERIOD TO PERMIT REDEMPTION OF BONDS by United States mail on counsel of record as follows:

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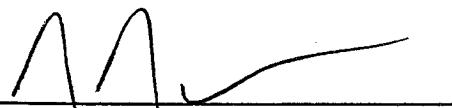
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David E. Peluso
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This 20th day of July, 2004.



John J. Griffin, Jr.

IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE:

SENTINEL TRUST COMPANY

Case No. 4781 (R.E.L.D.)

[PROPOSED] ORDER REQUIRING RECEIVER TO WAIVE
WAITING PERIOD TO PERMIT REDEMPTION OF BONDS

This matter having come before the Court on the Motion of Chamber Health Care Society, Incorporated for an Order Requiring Receiver to Waive Waiting Period to Permit Redemption of Bonds (the "Motion"), filed on or about July __, 2004; and

The Court (a) having reviewed Chamber's Motion, the accompanying Memorandum in Support, the Affidavits of William R. Hill, R. Chix Miller, Esquire and Philip M. Rees, Esquire, the exhibits attached thereto (the "Affidavits"), and all other related pleadings; and (b) having heard the statements of counsel with respect to the relief requested in the Motion at a hearing before the Court on July __, 2004 (the "Hearing"); and

The Court finding that (a) the Court has jurisdiction over this matter pursuant to _____; and (b) notice of the Motion and the Hearing was sufficient under the circumstances; and

The Court having determined that the legal and factual bases set forth in the Motion, the Affidavits and at the Hearing establish just cause for the relief granted herein;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Chamber is a party in interest in the above-captioned matter and has standing to bring the Motion.
2. The Receiver hereby is ordered to waive the ninety-day waiting period and 30-day notice period in the Early Redemption Provision of the Indenture, as those terms are defined in the Motion.
3. This Order does not affect any rights of either Chamber or West Street to refuse to consummate the Proposed Agreement and either purchase or sell the Facility.
4. Immediately upon the closing of the Proposed Agreement, Chamber shall redeem the Riverside Bonds.
5. Within ten days after Chamber pays to the Receiver the full principal and accrued interest amount due under the Riverside Bonds, the Receiver is hereby ordered to execute all documents necessary under relevant law to cancel any and all security interests held or the benefit of the bondholders in the Facility, including without limitation, the Security Documents described on Exhibit A attached hereto.

Dated: _____, 2004

Chancery Judge R.E. Lee Davies

EXHIBIT A

- A. Deed to Secure Debt and Security Agreement, dated as of August 1, 1989, recorded at Deed Book 348, page 150, Newton County, Georgia Records, as assigned to General Trust Company by Assignment contained in Trust Indenture, recorded at Deed Book 348, page 179, Newton County, Georgia Records, as further assigned to Sentinel Trust Company by Instrument of Resignation, Appointment and Acceptance of the Office of Trustee, dated March 31, 1995, and recorded at Deed Book 546, page 153 Newton County, Georgia Records.
- B. Trust Indenture between Newton County Industrial Development Authority and General Trust Company, dated August 1, 1989, and recorded at Deed Book 348, page 179 Newton County, Georgia Records; as assigned to Sentinel Trust Company by Instrument of Resignation, Appointment and Acceptance of the Office of Trustee, dated March 31, 1995, and recorded at Deed Book 546, page 153, Newton County, Georgia Records;
- C. UCC-1 Financing Statement File #42810, filed August 29, 1989, Newton County, Georgia Records; as assigned by UCC-3 Financing Statement File #107-1995-000496, to Sentinel Trust Company, aforesaid records; as continued by UCC-3 Financing Statement File #107-1999-0877, filed April 5, 1999, aforesaid records.